

House File 2087 - Introduced

HOUSE FILE 2087

BY JACOBY and WAGNER

A BILL FOR

1 An Act exempting from the sales tax the services of certain
2 executive search agencies and private employment agencies
3 and including effective and retroactive applicability date
4 provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.2, subsection 6, Code 2009, is
2 amended to read as follows:

3 6. a. The sales price of any of the following enumerated
4 services is subject to the tax imposed by subsection
5 5: alteration and garment repair; armored car; vehicle repair;
6 battery, tire, and allied; investment counseling; service
7 charges of all financial institutions; barber and beauty;
8 boat repair; vehicle wash and wax; campgrounds; carpentry;
9 roof, shingle, and glass repair; dance schools and dance
10 studios; dating services; dry cleaning, pressing, dyeing, and
11 laundering; electrical and electronic repair and installation;
12 excavating and grading; farm implement repair of all kinds;
13 flying service; furniture, rug, carpet, and upholstery
14 repair and cleaning; fur storage and repair; golf and country
15 clubs and all commercial recreation; gun and camera repair;
16 house and building moving; household appliance, television,
17 and radio repair; janitorial and building maintenance or
18 cleaning; jewelry and watch repair; lawn care, landscaping,
19 and tree trimming and removal; limousine service, including
20 driver; machine operator; machine repair of all kinds; motor
21 repair; motorcycle, scooter, and bicycle repair; oilers and
22 lubricators; office and business machine repair; painting,
23 papering, and interior decorating; parking facilities; pay
24 television; pet grooming; pipe fitting and plumbing; wood
25 preparation; ~~executive search agencies; private employment~~
26 ~~agencies, excluding services for placing a person in employment~~
27 ~~where the principal place of employment of that person is~~
28 ~~to be located outside of the state;~~ reflexology; security
29 and detective services; sewage services for nonresidential
30 commercial operations; sewing and stitching; shoe repair
31 and shoeshine; sign construction and installation; storage
32 of household goods, mini-storage, and warehousing of raw
33 agricultural products; swimming pool cleaning and maintenance;
34 tanning beds or salons; taxidermy services; telephone
35 answering service; test laboratories, including mobile testing

1 laboratories and field testing by testing laboratories, and
2 excluding tests on humans or animals; termite, bug, roach, and
3 pest eradicators; tin and sheet metal repair; transportation
4 service consisting of the rental of recreational vehicles or
5 recreational boats, or the rental of motor vehicles subject
6 to registration which are registered for a gross weight of
7 thirteen tons or less for a period of sixty days or less, or
8 the rental of aircraft for a period of sixty days or less;
9 Turkish baths, massage, and reducing salons, excluding services
10 provided by massage therapists licensed under chapter 152C;
11 water conditioning and softening; weighing; welding; well
12 drilling; wrapping, packing, and packaging of merchandise other
13 than processed meat, fish, fowl, and vegetables; wrecking
14 service; wrecker and towing.

15 b. For the purposes of this subsection, "*financial*
16 *institutions*" means all national banks, federally chartered
17 savings and loan associations, federally chartered savings
18 banks, federally chartered credit unions, banks organized under
19 chapter 524, savings and loan associations and savings banks
20 organized under chapter 534, credit unions organized under
21 chapter 533, and all banks, savings banks, credit unions, and
22 savings and loan associations chartered or otherwise created
23 under the laws of any state and doing business in Iowa.

24 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties
25 which arise from claims resulting from the amendment of section
26 423.2, subsection 6, in this Act, for the exemption of sales
27 of executive search agencies and private employment agencies
28 occurring between January 1, 2002, and the effective date of
29 this Act, shall be limited to fifty thousand dollars in the
30 aggregate and shall not be allowed unless refund claims are
31 filed prior to October 1, 2010, notwithstanding any other
32 provision of law. If the amount of claims totals more than
33 fifty thousand dollars in the aggregate, the department of
34 revenue shall prorate the fifty thousand dollars among all
35 claimants in relation to the amounts of the claimants' valid

1 claims. Claimants shall not be entitled to interest on any
2 refunds.

3 Sec. 3. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
4 APPLICABILITY. This Act, being deemed of immediate importance,
5 takes effect upon enactment and applies retroactively to
6 January 1, 2002.

7 EXPLANATION

8 This bill relates to the imposition of the sales tax on
9 certain enumerated services.

10 Currently, the sales tax is imposed on the services provided
11 by executive search agencies and private employment agencies.
12 The bill exempts such agencies' services from the list of
13 enumerated services upon which the sales tax is imposed.

14 Because the exemptions are retroactive to January 1, 2002,
15 the bill provides for refunds of taxes, interest, or penalties
16 which arise from claims resulting from the change to exemption
17 from taxation of these services. These refunds are limited to
18 \$50,000 in the aggregate. Claims for refund must be filed by
19 October 1, 2010.

20 The bill takes effect upon enactment and applies
21 retroactively to January 1, 2002.